Ryan Prepared Opening Statement – Transportation Hearing
March 16, 2009

- *Thank Chairman Spratt, welcome witnesses (Chairman Atkinson, Secretary Miller, and Tyler Duvall, the former Acting Under Secretary for Policy and the Assistant Secretary for Transportation Policy at the U.S. Department of Transportation).*

- Across our country, federal highway and transit spending have played a vitally important role in the growth and productivity of our economy, and to our way of life.

- This year, Congress will likely consider multi-year legislation to reauthorize federal surface transportation programs.

- However, the current federal program and financing structure faces numerous challenges that will make this year's reauthorization a difficult one.

- These include:

    - First, and probably most obvious – a difficult economic environment: we're in a recession that most economists predict will last until sometime next year, with a slow recovery to follow.

    - Second, we've got record deficits. About two months ago, CBO projected the current year's deficit to reach more than $1 trillion -- a staggering figure. And later this week CBO will release an updated projection that will show even higher deficits.

    - Third, the current highway and transit program structure is badly flawed, directing too much of its resources toward low-value programs and projects.

        - It is worth noting that these programs are among the most highly earmarked in the federal budget. The SAFETEA-LU bill, for example, included some $24 billion in earmarks -- including the 'Bridge to Nowhere" -- one of the most recognizable, and embarrassing examples.

- Finally, the current financing structure based on excise fuel- and tire-taxes can't support even current levels of spending -- much less those sought by many in Congress and stakeholder groups.

- Last year, Congress transferred $8 billion from the General Fund to the Highway Account of the Highway Trust Fund to cover a shortfall – a departure from user-financing for the program.

➢ Because of the wide-spread popularity and importance of transportation programs, Congress and the Administration may resort to alternative financing mechanisms.

➢ In the past, the Budget Committees have found – as has CBO and GAO -- these alternative financing mechanisms, from sale leasebacks, third party financing to tax credit bonds, to be a more expensive, less transparent way to acquire and use capital assets when compared to conventional appropriations and Treasury borrowing.

➢ Now to be clear, I support a robust federal government role in transportation. But I think we've got to fundamentally re-think just what that role is. Is it using scarce federal dollars to build local toe paths, parking lots, and bridges that don't go anywhere? Or is it time we re-focus transportation spending – take it back to its roots – to help build well targeted, high return projects that benefit the economy and country at large – and in a way that is both transparent and cost effective?

➢ I believe this is a critical discussion for every Member of this Committee – Republican or Democrat – and I certainly look forward to hearing from the witnesses on this matter today.